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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

WASHINGTON, D.C. 20535

October 27, 1976

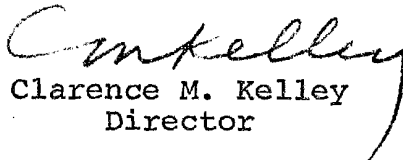
BY LIAISON

Honorable George Bush
Director of Central Intelligence
Central Intelligence Agency
Washington, D. C.

Dear George:

Reference is made to memorandum of this Bureau dated October 1, 1976, captioned "Soviet Interest in the Purchase of an Additional Estate in the New York City Area." Transmitted herewith is one copy of a memorandum similarly captioned for your further consideration in this matter. This memorandum has also been made available to the Assistant to the President for National Security Affairs, The White House, to the Director, National Security Agency, and to the Director, Bureau of Intelligence and Research, Department of State. (C)

Sincerely yours,


Clarence M. Kelley
Director

Enclosure

TS# 760095

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SOVIET INTEREST IN THE PURCHASE OF AN
ADDITIONAL ESTATE IN THE NEW YORK CITY AREA

Information has recently been obtained by this Bureau that the Soviets have indicated an intent to purchase the property known as the Valeria Home which is situated in Cortlandt, New York. This property is adjacent to the Croton Reservoir and consists of 807.6 acres upon which several residential buildings are situated. As a result of an on site inspection conducted by this Bureau on October 20, 1976, information was learned which indicated that a contract was being drafted by the owners to consummate the sale of the Valeria Home to the Soviets at a price believed to be between 3.1 and 3.5 million dollars. (S)

In connection with the above, the factors set forth below are for consideration in the event the Soviets approach the United States Government regarding authorization to purchase this property. (C)

The size and physical arrangement of the Valeria property and its buildings are not conducive to adequate physical coverage from a counterintelligence standpoint. The buildings would also constitute a substantial technical penetration problem. It should be noted that the Valeria Home could be occupied immediately after purchase inasmuch as all of the facilities and buildings are in excellent condition. Additionally, the property involved is situated on both sides of Furnace Dock Road, which is the only access road. During the aforementioned inspection it was learned that considerable adverse public reaction could be anticipated from the community of Cortlandt, New York, due to any removal of this property from the tax rolls should the Soviets purchase it. This property is located in a very rural area and its perimeter is in excess of four miles. The pertinent

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terrain is mountainous and it is noted that Dickerson Mountain, which is the second highest elevation in Westchester County, is situated on the property site. This mountain is approximately 800 feet in elevation. (S)

Also, there are several key facilities located in close proximity to the Valeria Home, such as the Indian Point Nuclear Power Plant and the headquarters and other major facilities of the International Business Machines Corporation. The property is located in a sparsely populated area readily accessible to primary travel arteries which would make it an ideal base from which to commence intelligence operations, while at the same time providing a capability to detect physical surveillance activity directed against Soviet personnel. Experience has shown that over the years the Soviets have used their ostensible recreational property for intelligence-gathering purposes. (S)

Concerning potential technical difficulties which might be encountered should a decision be reached to technically penetrate the Valeria Home in the event of Soviet purchase, it should be noted that the major buildings are situated basically on rock ledges in a valley area. The nearest property line is approximately 1,000 feet or more from any accessible point. The property is located at 41 degrees 15 minutes north latitude and 73 degrees 53 minutes 30 seconds west longitude. Located on the main building is a tower which extends to a height of approximately 70 to 80 feet. All of the buildings are shielded by virgin woods as well as by the general topography. The existing structure of the various buildings comprising the main portion of the Valeria Home is of emery stone and/or of a stone and masonry structure with the exterior walls of the various buildings being approximately 14 inches thick. The roofs are of heavy slate. (TS)

An additional concern is the fact that the Valeria Home is designed to house up to 300 persons and can be considered as being somewhat self-sufficient. This would make coverage by live assets exceedingly difficult. There exists on this property

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emergency power plants, a private sewage treatment plant, an emergency water system, a large lake with potable water and a separate garage facility with gasoline storage facilities. (S)

The Valeria Home is comprised of one large general purpose main building and two residence wings made up of six interconnected cottages. In addition, there is a separate garage facility with staff quarters, a clubhouse with ballroom and living quarters, and a manager's house. Additional outbuildings consist of a dormitory residence, frame house, garage with living quarters, and a frame barn. (C)

It is also noted that electrical service is obtained from commercial sources utilizing an on the premises sub-station and there are additional transformers located inside the main building. In the event of power failure the main building complex and clubhouse have emergency auxiliary generators. It should be noted that the only utilities entering the property are water, telephone and electricity. Propane gas and oil are delivered by truck. The surrounding property appears to be undeveloped forest land, with one side adjoining New York City watershed on the Croton Reservoir. (C)

All of the foregoing would militate against a technical penetration of the Valeria Home without extensive lead time and resources, and would involve certain security risk factors. (TS)

As is clear from the above, Soviet acquisition of this property would create severe counterintelligence problems for this Bureau. The Federal Bureau of Investigation, from its counterintelligence perspective, therefore, is opposed to Soviet acquisition of the Valeria Home. With regard to the two present estates the Soviets have, the Pratt Estate, Glen Cove, Long Island, New York, and the other at Upper Brookville, Long Island, New York, while they do impose certain counterintelligence problems they have been established long enough for us to afford some counterintelligence coverage. Even if the Soviets agree to give up the Pratt Estate and/or the other estate at Upper Brookville, Long Island, New York, the Federal Bureau of Investigation would still be opposed to Soviet acquisition of the Valeria Home. (S)

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